



Division Description

The Economic Development Division is organized into three work units: the Office of Small Business, Department of Housing and Urban Development (HUD) Administrative Programs, and Business Finance. The Office of Small Business, in partnership with the business community and economic development agencies, administers several programs for small business development and retention to create a more healthy economy for San Diego. The HUD Administrative Programs unit oversees federally-funded grant programs including the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Partnership, and Home Ownership for Persons with AIDS (HOPWA). The Business Finance unit administers two revolving loan fund programs funded by federal Economic Development Administration grants.

The Division's mission is:

To engage San Diegans to envision, plan, implement, and maintain a sustainable city through the wise use of land, resources, and aesthetics ensuring a high quality of life for all generations

Goals and Objectives

The following goals and objectives represent the action plan for the Division:

Goal 1: Foster economic development

Encouraging community revitalization and promoting economic opportunity for all segments of the population is a key component in ensuring a high quality of life. It is essential to retain, attract, and maintain the type of businesses that contribute positively to the local economy and communities. The Division will move toward accomplishing this goal by focusing on the following objectives:

- Leverage public incentives and assistance to promote community revitalization
- Promote economic development efforts to attract and induce investment in local businesses
- Support and encourage local businesses to provide private sector revitalization solutions

Economic Development

Service Efforts and Accomplishments

The Office of Small Business (OSB) staff assisted more than 7,200 aspiring and existing entrepreneurs with information and referrals. OSB staff also provided project and contract management services to more than 50 non-profit organizations and other outside vendors through 67 agreements for the promotion of tourism, development of economic opportunities, as well as for clean and safe programs which benefitted more than 12,000 businesses and 17,600 property owners in 20 neighborhoods. The Small Business Development and Outreach Pilot Program was implemented with participation from 55 businesses to assess and then create specific services to assist small businesses in developing competencies to increase participation in City contracts. An enhanced Pilot program was initiated in the third quarter of Fiscal Year 2011 with 187 participants. Additionally, OSB staff provided project and contract management services to three community parking districts to develop local solutions to mitigate parking-related impacts. The OSB managed the Tourism Marketing District (TMD) which was established in January 2008 for a five year period. The TMD raised more than \$24.0 million to promote tourism and increase hotel room night consumption in the City of San Diego. Of this \$24.0 million, approximately \$10.0 million offsets tourism support expenses previously provided by the City's General Fund.

The Department of Housing and Urban Development (HUD) Programs Administration (HPA) section is administered by Economic Development Division staff. HPA staff is responsible for grant compliance and the overall administration of the City's CDBG entitlements. Each year, the City is obligated to follow a HUD-defined "consolidated planning" process to ensure community involvement, project eligibility, and a strategic approach to utilizing CDBG funds. Grantees are required to submit both a five-year strategic plan and annual action plans (which are subject to HUD approval) in order to be approved for funding. The HPA section provided over \$16.0 million for Fiscal Year 2011 projects that serve the low- to moderate-income communities of the City of San Diego. Beginning in Fiscal Year 2012, the HPA section manages the HUD Section 108 Loan Program portfolio consisting of ten loans totaling approximately \$22.6 million. Fiscal Year 2012 entitlement amount are as follows: CDBG - \$13,602,765; HOME - \$7,981,652; ESG - \$661,372; and HOPWA - \$2,884,983.

In addition, the City is a grantee of the Emergency Shelter Grant (ESG) Entitlement. The objectives of the ESG Program are to increase the number and quality of emergency shelters and transitional facilities for homeless individuals and families, to operate these facilities, and to provide essential social services and help prevent homelessness. Since its inception, the ESG Program has helped to provide facilities and services to meet the needs of homeless people. The City has utilized the ESG funds to support the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program. The ESG Program provided over \$660,000 for Fiscal Year 2011 projects that serve the low-to-moderate income communities of the City of San Diego. During Fiscal Year 2011, the City Council approved the transfer of the ESG program to the San Diego Housing Commission (SDHC) to administer on behalf of the City. The SDHC manages other housing programs that will compliment and provide additional services to the ESG program.

The HPA unit also administers three stimulus grants awarded to the City under programs authorized by the Housing and Economic Recovery Act of 2008 and the American Recovery and Reinvestment Act of 2009. The City's grants for the Neighborhood Stabilization Program, Community Development Block Grant Recovery program, and the Homelessness Prevention and Rapid Re-Housing Program, collectively total \$19.7 million. The HPA unit has facilitated the timely implementation of these grants through the drafting and processing of sub-grantee agreements with the San Diego Housing Commission, providing program administration and project set-up assistance to various project managers, and completing program progress reports for HUD on a quarterly basis.

In addition, the Business Finance section manages two small business revolving loan fund programs totaling \$4.6 million funded by federal Economic Development Administration grants. In Fiscal Year 2011, Business Finance provided assistance and referral information to 180 inquiries, conducted six Business Outreach Presentations, and closed four loans totaling \$480,000.

Economic Development

Key Performance Indicators

Performance Measure	Actual FY2010	Actual FY2011
1. Percent of Community Development Block Grant reform and new Council policy completed	60%	90%
2. Number of small businesses assisted	6,270	7,296



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Economic Development

Department Summary

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Positions	11.00	33.30	22.30
Personnel Expenditures	\$ 1,345,857	\$ 3,310,065	\$ 1,964,208
Non-Personnel Expenditures	1,334,155	1,421,519	87,364
Total Department Expenditures	\$ 2,680,012	\$ 4,731,584	\$ 2,051,572
Total Department Revenue	\$ 877,375	\$ 3,142,715	\$ 2,265,340

Note: Economic Development is a new, stand-alone division for Fiscal Year 2012. The Fiscal Year 2011 column displays Economic Development's budget when it was a division within the City Planning & Community Investment Department.

General Fund

Department Expenditures

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Economic Development	\$ 2,680,012	\$ 4,731,584	\$ 2,051,572
Total	\$ 2,680,012	\$ 4,731,584	\$ 2,051,572

Department Personnel

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Economic Development	11.00	33.30	22.30
Total	11.00	33.30	22.30

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Department Restructuring Transfer of the HUD Programs Administration section's positions from the HUD Programs Administration Fund to the Economic Development Division.	14.50	\$ 1,421,783	\$ -
Addition of Support to the HUD Programs Administration Section Addition of 2.00 reimbursable Community Development Specialist 2s for support to the HUD Programs Administration section.	2.00	190,346	242,587
Support for the Parking Meter Utilization Program Addition of 1.00 Senior Traffic Engineer related to the implementation of the Parking Meter Utilization Program.	1.00	129,331	-
Addition of Community Development Specialist 4 Addition of 1.00 Community Development Specialist 4. This position is fully reimbursable with Community Development Block Grant (CDBG) funds and will assist the City's CDBG program in complying with federal reporting and program regulations.	1.00	115,628	115,628
Hourly Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	3.80	98,945	-

Economic Development

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Non-Discretionary Adjustment Total expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	88,222	-
Equipment/Support for Information Technology Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	43,099	-
Reduction in Travel and Training Reduction of travel and training expenditures.	0.00	(1,069)	-
Revised Revenue Adjustment to reflect Fiscal Year 2012 revenue projections.	0.00	-	1,864,461
One-Time Reductions and Annualizations Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2011.	0.00	-	42,664
Total	22.30	\$ 2,086,285	\$ 2,265,340

Expenditures by Category

	FY2011 Budget	FY2012 Adopted	FY2011-2012 Change
PERSONNEL			
Salaries and Wages	\$ 805,189	\$ 2,026,104	\$ 1,220,915
Fringe Benefits	540,668	1,283,961	743,293
PERSONNEL SUBTOTAL	\$ 1,345,857	\$ 3,310,065	\$ 1,964,208
NON-PERSONNEL			
Supplies	\$ 52,055	\$ 55,198	\$ 3,143
Contracts	1,242,377	1,283,681	41,304
Information Technology	36,853	43,099	6,246
Energy and Utilities	160	33,067	32,907
Other	2,710	6,474	3,764
NON-PERSONNEL SUBTOTAL	\$ 1,334,155	\$ 1,421,519	\$ 87,364
Total	\$ 2,680,012	\$ 4,731,584	\$ 2,051,572

Revenues by Category

	FY2011 Budget	FY2012 Adopted	FY2011-2012 Change
Charges for Current Services	\$ 877,375	\$ 3,142,715	\$ 2,265,340
Total	\$ 877,375	\$ 3,142,715	\$ 2,265,340

Personnel Expenditures

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Adopted	Salary Range	Total
Salaries and Wages						
20000011	1104	Account Clerk	0.00	1.00	\$31,491 - \$37,918	\$ 32,436
20000866	1842	Accountant 2	0.00	1.00	54,059 - 65,333	40,300
20000102	1183	Accountant 4	0.00	1.00	66,768 - 88,982	71,760
20000012	1105	Administrative Aide 1	2.00	2.00	36,962 - 44,533	89,512

Economic Development

Personnel Expenditures (Cont'd)

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Adopted	Salary Range	Total
20000024	1107	Administrative Aide 2	1.00	2.00	42,578 - 51,334	51,591
20000119	1218	Associate Management Analyst	0.00	1.00	54,059 - 65,333	63,700
20000295	1350	Community Development Coordinator	1.00	2.00	76,731 - 92,893	182,999
20000300	1352	Community Development Specialist 2	1.00	8.00	54,059 - 65,333	495,157
20000301	1353	Community Development Specialist 3	1.00	1.00	62,254 - 75,275	75,651
20000303	1354	Community Development Specialist 4	3.00	5.00	66,768 - 80,891	387,905
20001168	2214	Deputy Director	1.00	1.00	46,966 - 172,744	116,399
90001073	2103	Management Intern - Hourly	0.00	3.80	24,274 - 29,203	92,240
20001222	2270	Program Manager	1.00	1.00	46,966 - 172,744	82,000
20000015	1106	Senior Management Analyst	0.00	2.00	59,363 - 71,760	144,238
20000926	1878	Senior Traffic Engineer	0.00	1.00	76,794 - 92,851	76,794
20000756	1746	Word Processing Operator Bilingual - Regular	0.00	0.50	31,491 - 37,918	19,054
Salaries and Wages Subtotal			11.00	33.30		\$ 2,026,104

Fringe Benefits

Employee Offset Savings	\$	36,400
Flexible Benefits		201,932
Long-Term Disability		12,581
Medicare		28,426
Other Post-Employment Benefits		177,772
Retiree Medical Trust		103
Retirement 401 Plan		413
Retirement ARC		688,164
Retirement DROP		2,189
Retirement Offset Contribution		9,906
Risk Management Administration		29,256
Supplemental Pension Savings Plan		67,197
Unemployment Insurance		7,139
Workers' Compensation		22,483
Fringe Benefits Subtotal	\$	1,283,961
Total Personnel Expenditures	\$	3,310,065